

ANNEX I

UN Secretary – General

Parameters presented on 30 June 2017 within which the negotiations should proceed.

Eide: I talked with the UNSG last night and also this morning we were texting and he follows closely what is going on and he is very interested and of course, as all, he was a little worried about the lack of progress.

Based on my conversations with him, I would like to clarify the points he raised based on the conversation I held with him and his comments.

On security, I think we have to start recognising that what we need is a new security regime, not the continuation of the old. I think we need, as he said, the end of unilateral right of intervention and the end of the Treaty of Guarantees. The current situation will be replaced by a solid system of assurances where the whole of Cyprus and all Cypriots of both communities will feel secure and by robust implementation and oversight mechanisms that will include an outside element (international dimension: UN, multilateral / international / friendly countries. Current guarantors cannot implement and monitor themselves.

On troops, there should be a rapid reduction from Day 1 to a low level and then to numbers equivalent to those of the old Treaty of Alliance (timetable to reach the levels of 1960 and verifying mechanism to oversight needs to be agreed). In relation to sunset clause versus review clause, this was something that would need to be discussed at the highest level. Need to discuss mandate/purpose/SOFA Agreement, obligations and so on.

On territory the TC side needs to adjust the map presented to respond to concerns expressed by GCs regarding some localities. You need to say Morphou.

On property there are two principles: for areas under territorial adjustment and the rest regime to be constructed in a way that would lend itself to give prevalence to dispossessed owners but not a 100%, for areas not under territorial adjustment regime to be constructed in a way that would lend itself to give prevalence to current users but not a 100%. Specific elements to be further elaborated.

On equivalent treatment, as regards permanent residence of Turkish nationals to have a quota and that should be equitable to Greek nationals who become permanent residents, except the regime related to students, tourists and posted workers. Further discussion is needed on what is equitable on the application of permanent residence.

The issue of **effective participation** needs to be discussed further as regards the issue of a favorable vote (when and under which conditions, which bodies and the relevant deadlock-resolving mechanisms), while any other remaining elements in power-sharing, including the demand of the TC side for rotating Presidency should also be discussed.

Territory

Need to adjust the map presented by the TCs to respond to concerns expressed by GCs regarding some locations

Political equality

Rotating Presidency with 2:1 ratio

Decision-making (effective participation): simple majority with one positive vote with deadlock resolving mechanism/ in cases where issues are of vital interest for the communities

Property

Two property regimes: for areas under territorial adjustment and the rest regime to be constructed in a way that would lend itself to give priority to dispossessed owners, for areas not under territorial adjustment regime to be constructed in a way that would lend itself to give priority current users. Specific elements to be further elaborated.

Equivalent treatment

Free movement of goods (= customs union + a quota to be agreed for primary agricultural products), services and capital are ok.

Free movement of persons: the regime will permit tourists, students and seasonal workers. For those seeking permanent residence, equitable treatment will be granted to Greek and Turkish nationals in Cyprus.

Security and guarantees

SG outlined that he did not think that a system in which right of intervention would remain would be sustainable. He said that areas that are under the Treaty of Guarantees could be replaced by adequate implementation monitoring mechanisms, covering various aspects, to be mutually agreed. In some of these, Guarantor Powers could be involved. A security system should ensure that both communities feel safe in a united Cyprus, while the security of one should not come at the detriment of the other.

The issue of troops is a different question relative to the Treaty of Guarantees, and to be handled in a different format. Issues related to troops (numbers, withdrawals if and when they will need to leave, timelines, etc) to be agreed at the highest level when time is ripe.

issues, including territory, political equality, property, equivalent treatment, guarantees and troops. None of the delegations objected to this package.

After the departure of the Secretary-General, the participants used the remaining days trying to bridge the various positions. While the mood was not bad, progress was slow, with the parties continuing to hold their cards close to their chest and with none of the moves necessary for the package to materialize actually happening. It was only upon the return of the Secretary-General on 6 July 2017 that some of the cards were finally put on the table.

Importantly, during a bilateral meeting with the Secretary-General, Mr. Çavusoğlu confirmed that Turkey would be willing to give up the guarantees and the unilateral right of intervention from day one, provided that there was a robust mechanism in place to ensure the implementation of the settlement. However, Turkey was not ready to put this in writing nor to confirm it in the presence of the other participants. Furthermore, it would only concede to this as part of the final package. When this information was conveyed to Mr. Anastasiades, he appeared to become worried, even if this had been the most important ask of the Greek Cypriot side over the years. Mr. Anastasiades proceeded to question the validity of the information relayed to him and began insisting that Turkey could not be part of a future monitoring mechanism and that Turkey would need to agree to zero Turkish troops on the island after a maximum 18 months post-settlement.

Despite the efforts of the Secretary-General and the far-reaching offer made by Turkey, no breakthrough had been achieved by the time that all participants reconvened for the dinner hosted by the Secretary-General later that evening. The final hours of the day and the early hours of the following morning demonstrated that while the participants had moved significantly closer on substance, they remained far apart with respect to trust and motivation to seek common ground. The mood towards the end of the dinner became very sour, with especially Mr. Anastasiades but also Mr. Kotzias on the offensive. Despite most of the key elements being there, the participants were unable to stitch them together. This is ultimately what led the Secretary-General conclude at the end of the dinner that it was not possible to reach an agreement, an assessment which was shared by the participants around the table.

In his statement to the press, the Secretary-General noted that "an agreement was not possible and the conference was closed without the possibility to bring a solution to this dramatically long-lasting problem". However, he confirmed that the United Nations would remain "at the disposal of the parties willing to come to an agreement".